



## To Work in India, Expats Ask for the Moon, Especially for Non-Metro Jobs

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ECONOMY PROJECTED TO GROW 7.2% IN FY19, FASTEST IN 3 YEARS

# Leaving Bumps Behind, GDP in Fast Lane Ahead of Polls

Despite moderation in growth in the second half, India set to remain world's fastest-growing economy

Our Bureau

New Delhi: India's economy is forecast to grow at its fastest pace in three years in FY19, recovering from the disruption caused by demonetisation and the rollout of the goods and services tax (GST), marking the end of the government's five-year term on a positive note ahead of the general elections. India will thus retain its ranking as the world's fastest-growing economy, the government said.

Gross domestic product (GDP) is forecast to grow 7.2%, up from 6.7% last year, according to the first, full-fiscal-year estimate released by the Central Statistics Office (CSO). Gross value added (GVA) growth is seen at 7% against 6.5% last year, according to the data released on Monday.

"Very healthy advance GDP growth numbers for 2018-19... India remains fastest-growing major economy globally," said department of economic affairs secretary Subhash Chandra Garg, flagging the strong recovery in investments.

The growth forecast is slightly lower

### Up From The Bottom

Economy picks up from FY18 lows

## UPWARD CURVE

Annual GDP growth (%)

FY14 6.4

FY15 7.4

FY16 8.2

FY17 7.1

FY18 6.7

FY19\* 7.2

\* Projected Growth

## MUCH TO CHEER...

Investments pick up

pace, some private capex seen

Job-intensive construction and manufacturing show recovery

## ...AND A FEW CONCERNS

Farm growth up slightly, but low deflator shows the stress

Services growth and private consumption moderate

6.8% growth in second half, down from 7.6% in first half

Gross value added growth is seen at 7% against 6.5% last year

than 7.4% estimated by the Reserve Bank of India (RBI). The International Monetary Fund (IMF) has forecast 7.3% growth in the current fiscal and 7.4% in the year after.

"The growth number seems realistic and may not need to be revised as it fairly reflects the present situation," said DK Joshi, chief economist at ratings agency Crisil.

The Indian economy grew 7.6% in the first half of the fiscal, suggesting a moderation in the second half of the year with liquidity constraints and high crude prices a drag in the third quarter. Growth

had declined to a below-expectation 7.1% in the second quarter from 8.2% in the first quarter.

"While the base effect is unfavourable for the second half of FY19, the number put out by the CSO also seems to acknowledge the moderation in economic activity in the second half of FY19," said Tushar Arora, senior economist at HDFC Bank.

The slowing global economy has also contributed marginally. The decline in crude prices, the strengthening rupee and low inflation have brightened the outlook in the new year.

Gross Fixed Capital Formation up 12.2% ►► 13  
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# Grocery Brands Fear New Ecomm Rules may Upset their Growth Cart

Say curbs on cashbacks and discounts may slow down business in short term, especially in urban markets

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New Delhi: Grocery brands, which see one of the highest discounting online inviting the wrath of the trader lobby, have raised the red flag on the revised e-commerce rules that seek to stop cashback and deep discounting on marketplaces, fearing that they will slow down growth, especially in urban centres.

"Cashback and deep discounting are the two biggest attractions for consumers shopping on e-commerce. With that

### Big Blow

FMCG BUSINESS PEGGED AT

₹3.4 lakh cr

Ecomm accounted for 2% of country's FMCG business, up from 0.4% in 2016

Share of ecomm in FMCG sales tripled in the last two years

Marketplaces need to find innovative and sustainable ways to continue discounts and woo consumers

likely to be compromised from February 1, growth will be impacted," said Mayank Shah, category head of Parle Products, India's second-largest biscuits maker. "Even if companies like Amazon

or BigBasket start offering alternatives to cashback—for example, movie ticket vouchers or flight booking discounts—it constrains consumers and doesn't have the same draw as a flat cashback in consumers' wallet."

E-commerce contributes close to 2% of the country's ₹3.4-lakh crore fast-moving consumer goods business, up from 0.4% in 2016, and is almost entirely accounted for by urban markets.

The segment's share is expected to widen to 11% by 2030, riding on a rapidly growing internet economy, according to market research firm Nielsen.

"We do see some short-term risk of disruption, especially if sellers who are our immediate customers are impacted," said Godrej Consumer Products business head-India (e-commerce) Robert Menzies.

Online Shopping Gathers Pace ►► 13

### ERICSSON CASE

## Apex Court Issues Contempt Notice to Anil Ambani



Refuses to exempt RCom chief from personal appearance

Samanwya Rautray &amp; Devina Sengupta

New Delhi | Mumbai: The Supreme Court on Monday issued a contempt notice to Reliance Communications (RCom) chairman Anil Ambani over the company's failure to pay dues worth ₹550 crore to Ericsson and also refused to exempt him from personal appearance in court at the next hearing after the Swedish equipment maker didn't accept part payment.

RCom, through senior advocates Kapil Sibal and Mukul Rohatgi, urged the court to dispense with Anil Ambani's personal appearance in the case, but Justice RF Nariman, sitting alongside Justice Vineet Sharan, refused.

"We are not exempting (appearance)," Justice Nariman said. In another setback to RCom, the SC also refused to clear its proposal to sell spectrum to Jio unless the Mukesh Ambani-owned carrier agreed to abide by government rules that require the buyer to be liable for the seller's (in this case RCom) past liabilities as well.

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